

Exc
(2 of 4)

1 WILHELMENIA TAYLOR

2 Q As illustrated?

3 MS. TAYLOR: Do you need an
4 illustration to answer the question?

5 THE WITNESS: I'm not sure if I can
6 answer the question even with the
7 illustration. My focus has always been on
8 the AP part of the illustration, the
9 premium outlay area.

10 I need the question restated again.

11 MS. TAYLOR: I also don't want you to
12 speculate, Ms. Taylor. We are going to be
13 producing a witness or witnesses regarding
14 illustration. If you don't have the
15 specific knowledge of that component of
16 illustrations --

17 THE WITNESS: I don't have that.

18 MR. BARTHOLOMAEI: I'm asking about
19 Accelerated Payment Plan illustrations. I
20 understand this may come up in a different
21 deposition as well.

22 Q My question is, you may be able to
23 answer it, you may not be --

24 A I'm clear now.

25 Q Whether it is possible for a policy,

1 WILHELMENIA TAYLOR

2 like you said, sold sometime in the '80s, to
3 perform as illustrated once there is a reduction
4 in the dividend scale by Metropolitan Life?

5 MS. TAYLOR: Objection to form. I
6 think the term you are using, to perform as
7 illustrated, is ambiguous, I really do. I
8 don't understand what that means.

9 MR. BARTHOLOMAEI: I can define it.

10 MS. TAYLOR: If you are asking if you
11 have one illustration there is a change in
12 the dividend scale up or down, if you
13 reillustrate during the following year,
14 doing an inforce illustration, will they be
15 identical?

16 MR. BARTHOLOMAEI: My question is
17 whether what is given to policyholders at
18 the time of sale, an illustration, is going
19 to hold true, one, three years later they
20 can look at whatever year is being
21 illustrated and the number is accurate if
22 there is a change in the dividend scale.

23 THE WITNESS: I can't say --

24 A If the dividend scale goes up or down
25 and what is shown to a customer sometime after.

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2 that illustration is prepared, can either be the
3 same or different; I really don't know.

4 Now that I understand your question
5 better.

6 Q How was it possible it could be the
7 same?

8 A How is it possible the illustration
9 can be the same?

10 MS. TAYLOR: I think the question is
11 beyond just an AP eligibility issue. He is
12 getting into every possible figure on that
13 illustration. I don't know Ms. Taylor
14 would know about every specific detail of
15 the AP illustration.

16 THE WITNESS: I basically told Mark
17 my focus was on the premium outlay area of
18 the illustration and how dividends may or
19 may not affect the year in which that
20 happened.

21 I'm getting a little bit confused.

22 MS. TAYLOR: I think she can discuss
23 an AP illustration in terms of the impact.

24 MR. BARTHOLOMAEI: I'll get to that.

25 MS. TAYLOR: If you are getting into

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2 all the other specific details of that
3 illustration that aren't focusing on the
4 accelerated, out-of-pocket cash outlay
5 aspect, I don't know she can answer that.

6 MR. BARTHOLOMAEI: My clients were
7 given time, at the top it says Accelerated
8 Payment Plan illustration. That's what I'm
9 asking about. There is information given
10 on those documents that is relevant on this
11 deposition.

12 MS. TAYLOR: Do you have an
13 illustration with you? Maybe it would help
14 if you have one in front of her.

15 MR. BARTHOLOMAEI: I don't want to
16 ask about specific cases either.

17 MS. TAYLOR: At least if she had it
18 in front of her --

19 MR. BARTHOLOMAEI: I think I
20 understand her answer and want to ask some
21 questions about the AP year and
22 illustrations as well.

23 Q Maybe you can answer those a little
24 bit easier.

25 At some point after 1992, did it

1 WILHELMENIA TAYLOR 53

2 become -- I know I asked this question before. I
3 just wanted a clear answer given what we talked
4 about.

5 At some point after 1992, did it
6 become impossible that the AP year would be the
7 same as any policy that had been sold prior to
8 1992 using an Accelerated Payment Plan

9 illustration?

10 MS. TAYLOR: Objection as to form.

11 A What did become impossible?

12 Q The policy, the AP year remain the
13 same?

14 MS. TAYLOR: Didn't she already
15 answer that in terms of giving examples,
16 there could be situations of policies sold
17 in the early '80s?

18 MR. BARTHOLOMAEI: I'm talking about
19 up until today.

20 MS. TAYLOR: I just want to remind
21 Ms. Taylor not to speculate. There are so
22 many variables that go into that.

23 MR. BARTHOLOMAEI: I agree.

24 MS. TAYLOR: I don't know she has a
25 specific chart that tell us her every

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2 specific policy.

3 Q Was there a determination made at
4 Metropolitan Life that all of the AP or all the
5 policies you sold prior to 1992 using AP
6 illustrations were not going to perform as
7 illustrated?

8 MS. TAYLOR: Objection as to form.

9 Q With respect to the AP year?

10 A I don't believe so.

11 Q Do you know as of today what
12 percentage of policy are not going to perform with
13 respect to the AP year as illustrated prior to
14 1992?

15 MS. TAYLOR: Objection as to form.

16 Q Do you know the amount of policies
17 that are not going to perform as illustrated with
18 respect to the AP year that were sold prior to
19 1992?

20 A No.

21 Q Was a study ever done to that effect
22 sometime after 1992 as to the amount of policies
23 that would not perform with respect to the AP year
24 as a result of the reduction, the dividend scale
25 at Metropolitan Life?

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2 A I believe in a review of the
3 documents preparing for the deposition there was a
4 document that discussed the number of policies
5 that may or may not be eligible for AP based on a
6 dividend scale reduction. I'm not exactly sure
7 what year it was. There was a document there.

8 MS. TAYLOR: We'll get to that
9 eventually.

10 Q Do you recall generally if there was
11 a percentage or number?

12 A No, it was in the document, the
13 number.

14 MS. TAYLOR: I think there may have
15 been more than one document, Mark, as I
16 recall. A couple over time.

17 (Letter, December 17, 1992,
18 Kathy Schoos to LaBadia is received and marked
19 Taylor 3 for identification)

20 MR. BARTHOLOMAEI: For the record,
21 what I have just marked as Taylor Exhibit 3
22 is a December 17, 1992 letter from Kathy
23 Schoos to Tom LaBadia. The Bates number is
24 MP 4011070959.

25 Q Ms. Taylor, is this something you

1 WILHEIMENIA TAYLOR

2 have seen before?

3 MR. LABOVITZ: Is this another
4 document that is not in the deposition
5 topic list? I don't believe the Bates
6 number you indicated is on the list.

7 MS. TAYLOR: I'm not sure whether it
8 is or not. I have copies here for people
9 who are here.

10 MR. LABOVITZ: Certainly given the
11 fact you prepared a lengthy list of
12 deposition topics and distributed that to
13 counsel, it does not seem to make sense to
14 now provide documents that are not on such
15 a list.

16 MS. TAYLOR: There is no obligation
17 for me to provide copies of documents that
18 I'm going to be using at a deposition to
19 people that are not here at the deposition
20 and the list that I sent out in no way
21 represented that was the entire field of
22 documents that would be used at these
23 depositions. I think actually it
24 represented to the contrary.

25 I did bring enough for anybody that

1 WILHELMENIA TAYLOR

2 would come here to the deposition today.

3 MS. TAYLOR: What I can do is when we
4 take a break I can fax to Clair's office a
5 copy of Exhibits, Taylor 2 and Taylor 3.

6 Mark, if you know there are others
7 you are going to mark, during the lunch
8 break I can fax those others, if you know.

9 Even if they are not premarked. I can fax
10 one of the sets to them.

11 MR. LABOVITZ: We would appreciate
12 that and that is a good suggestion, Penny.

13 Q Is this something you had seen
14 before?

15 A I don't remember seeing this before.
16 I could have, but I don't recall it.

17 Q In the paragraph that begins with "We
18 strongly", the last sentence says, referring to
19 policyholders, says:

20 "So, when they are told their policy
21 is no longer eligible for AP due to lowered
22 dividend scales or dividend withdrawals, they
23 almost immediately start to complain or accuse the
24 sales representative of lying."

25 Is that something that was told to

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2 the natural work team in response to
3 policyholders, the information given to them, that
4 the individual policy may or may not be eligible
5 for AP due to dividend scale withdrawals?

6 A No. I don't remember what you just
7 read being passed onto the AP natural work team.

8 With respect to the reps lying,
9 dividend withdrawals typically at Metropolitan
10 Life meant a customer made a withdrawal of their
11 policy.

12 So no.

13 Q This is referring to, the second
14 sentence, to a memorandum from Mr. Rayl.

15 Is that something you are familiar
16 with?

17 A Is that the memorandum we just looked
18 at.

19 MS. TAYLOR: She already testified
20 she didn't recall seeing it previous to
21 perhaps just the prep for this dep.

22 A If that's the one you are talking
23 about, yes.

24 (Letter, December 11, 1992,
25 Schramm to Duffy, plus attachments, is received

1 WILHELMENIA TAYLOR
2 and marked Taylor 4 for identification)

3 MR. BARTHOLOMAEI: What I have just
4 marked as Taylor Exhibit 4 is a cover
5 letter from Richard Schramm to Pamela Duffy
6 dated December 11, 1992 which attaches Mr.
7 Rayl's November 7, 1992 memorandum to Mr.
8 LaBadia that was discussed in the last

9 Exhibit. Bates number MP 4011070960
10 through 70964.

11 Q Looking at this, I was perhaps
12 confused. I don't think the last document we
13 looked at was Mr. Rayl's memorandum referred to, I
14 think this is. That's why I asked if you remember
15 familiar with Mr. Rayl's memorandum which is the
16 second and third page of what I just marked as
17 Taylor Exhibit 4.

18 Are you familiar with this memorandum
19 of Mr. Rayl to Mr. LaBadia?

20 A No?

21 MS. TAYLOR: The one dated November
22 7?

23 MS. TAYLOR: Right.

24 Q This isn't something you have seen
25 before?

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2 A No, I don't recall seeing this
3 before.

4 Q Do you know if any consideration was
5 given to the proposals of Mr. Rayl in this
6 memorandum by members of either the natural work
7 team or members of management at Metropolitan
8 Life?

9 A I'd have to review this whole
10 memorandum. I'm not sure what's being stated in
11 this memorandum.

12 Unless there are things Mr. Rayl is
13 saying that wind-up being implemented by the
14 natural work team, Mr. Rayl was not part of the
15 natural work team. I don't recall seeing this
16 memorandum. Is there any part of the memo you
17 want to ask me about specifically?

18 Q What I want to know, because you're
19 here to testify on behalf of the corporation,
20 whether the issues addressed in this memorandum
21 specifically addressed by Mr. Rayl were taken into
22 consideration, whether any policy was implemented
23 as a result of this memorandum specifically?

24 MS. TAYLOR: I think she already
25 testified she has no recollection of ever

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seeing this memorandum nor does she have a recollection of the natural work team receiving it. Whether there may have been things he raised in here that are dealt with and responded to is a completely different question. What is your question? Whether specifically in response to this

memo?

MS. TAYLOR: Whether the company implemented any type of policy or policy change.

MS. TAYLOR: He is saying in specific response to this memo.

THE WITNESS: I have to try to read it.

MS. TAYLOR: I think she doesn't know the answer to that.

Q Who is Pamela Duffy?

A Pamela Duffy was a vice president that was, I believe back in 1992, she was in charge of the marketing area.

Q What does that mean, she was in charge of the marketing area?

A Marketing of personal insurance

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2 policies. I think the department was called
3 Product Planning.

4 Q You were part of that department at
5 one time; is that right?

6 A Yes.

7 Q Do you know who Barbara Gardner is?

8 A I believe during that time Barbara

9 Gardner may have been in charge of the customer
10 service centers.

11 (RECESS TAKEN.) (AFTER RECESS.)

12 (Letter, December 23, 1992,
13 Rayl to Martin, plus attachments, is received and
14 marked Taylor 5 for identification)

15 MR. BARTHOLOMAEI: What I have just
16 marked as Taylor deposition Exhibit 5 is a
17 letter from Jim Rayl to David Martin dated
18 December 23, 1992 which attaches some other
19 documents and the Bates numbers are MP
20 4011071027 through 71029.

21 Q Ms. Taylor, if you need a minute to
22 look at this, please take a minute and I'll ask
23 you if you have seen this letter before from Mr.
24 Rayl, the first page of the Exhibit?

25 A No, I don't recall.

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2 Q Do you know with who Mr. Martin is,
3 other than what it says on the document?

4 A That's the extent of what I know his
5 title, he was in charge of the mid America
6 territory.

7 Q Do you know if any consideration was
8 given by Metropolitan Life to this specific letter
9 from Mr. Rayl with respect to problems concerning
10 the AP year and that policies were being, excuse
11 me, policyholders were being told their policies
12 would be paid-up?

13 MS. TAYLOR: Objection as to form?

14 A I'm reading it now.

15 Q Is this something that was considered
16 by either the natural work team or any other
17 department of Metropolitan Life with respect to
18 the issues that are described here, this
19 particular letter I'm referring to now?

20 MS. TAYLOR: Objection as to form,
21 lack of foundation.

22 A There is a lot of things being
23 discussed in this memo. Is there one particular
24 thing you are asking me?

25 Q Mr. Rayl generally is talking about

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policyholders being told once the AP took effect their policies would be paid-up. That's in the first paragraph.

Then he goes onto talk about, in the second paragraph, these situations are now occurring on policy that are supposed to become paid-up and will impact in the future when

policies will not have sufficient dividend balances to cover all future payments.

The last sentence says:

"I am much more concerned about the potential impact it could have on our future marketing efforts if we don't attempt to address this issue with our policyholders soon."

The question I asked, is this letter talking about these issues considered by Metropolitan Life or the natural work team as a warning of what was to come in the future with respect to Accelerated Payment Plan policies?

MS. TAYLOR: Objection to form. She can speak to the Actual Work team. There are so many people in the company, I don't know if she knows whether there was one person out of hundreds that might have

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2 responded to this.

3 A With respect to the natural work
4 team, the consumer brochure, ABC's dividends,
5 Accelerated Payment brochure, my recollection is
6 they both discussed the policies were not,
7 quote/unquote, paid-up. That's the extent to
8 which I can recollect. I believe there were

9 articles in a publication called Metropolitan Life
10 Outlook that discussed the Accelerated Payment
11 arrangement in effect the policy wasn't paid-up.

12 Those are the things I can recollect
13 on how the company spoke to the situation paid-up
14 versus the Accelerated Payment arrangement.

15 Q Can you tell me whether this letter
16 was considered?

17 A I don't recall ever seeing this
18 letter.

19 (Letter, Rayl to Schoos,
20 December 31, 1992, is received and marked Taylor 6
21 for identification)

22 MR. BARTHOLOMAEI: What I have just
23 marked as Taylor deposition 6 is a one-page
24 letter from Mr. Rayl dated December 31,
25 1992 to Kathy Schoos Bates number MP

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4011071025.

Q What I want to ask you about is specifically in the first paragraph in this letter. It's referring to in the second sentence. It says:

"In one of my conversations with Tom, he indicated that the 'marketing' people felt that the number of representatives using the term 'paid-up' was limited to a very small number. Needless to say, I disagreed with this and have been trying to illustrate that this is not the case."

The question I have, was any study done of the number of representatives that have been using the term "paid-up" during the point of sale process?

MS. TAYLOR: Objection as to form. I do again want to reiterate Ms. Taylor would not have knowledge, for instance, of any investigations or studies that might have been conducted by auditing or by people in customer relations because her area, she was not in the consumer complaint area.

Q What I am referring to, specifically

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1
2 it says he indicated the number of marketing
3 people, the number of reps indicating the number
4 of paid-up was a very small number.

5 Was there any information or
6 determination made of someone in the marketing
7 department of how many representatives using
8 paid-up with interactions of policyholders or

9 insureds?

10 MS. TAYLOR: Object to form.

11 A I'm not aware of any study. In
12 reading the document you just gave me, in the
13 second paragraph, Mr. Rayl goes on to say, he
14 assumed it was Dave that felt the term "paid-up"
15 was not widespread.

16 There are a lot of opinions going on
17 here. I wasn't aware of any study or
18 investigation.

19 Q Have you seen this letter before?

20 A I don't recall seeing this letter
21 before.

22 (Letter, January 12, 1993,
23 LaBadia to Lynch, one page, is received and marked
24 Taylor 7 for identification)

25 MR. BARTHOLOMAEI: What I have just

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2 marked as Taylor deposition 7 is a January
3 12, 1993 letter from Tom LaBadia to Frank
4 Lynch. Bates number is MP 4011070957.

5 Q Ms. Taylor, have you had an
6 opportunity to review this document?

7 A Yeah, I just did.

8 Q Let me ask you first, is this
9 something you have seen before?

10 A No, I don't remember seeing this
11 before.

12 Q The second paragraph, it's referring
13 to a proposal to retest all policies on APP and
14 notify all of those who no longer pass the
15 eligibility test.

16 Is that something that was done at
17 Metropolitan Life or was that a policy that was
18 implemented?

19 A I don't recall that being
20 implemented.

21 Q Was that something that was given
22 consideration?

23 A I guess so. This memo is basically
24 saying they considered it.

25 Q Why wasn't that done?

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2 A I don't know why it wasn't done.

3 Q Is there any study done or
4 investigation into this proposal and whether it
5 should be implemented at Metropolitan Life?

6 A Reading this document, it appeared
7 that Tom LaBadia is basically saying in lieu of
8 what Mr. Rayl was suggesting that there be some
9 educational material.

10 I don't know how that determination
11 came about.

12 Q Do you know who Frank Lynch is other
13 than what it says in the document?

14 A Basically he was in charge of the
15 customer service area.

16 Q For the whole company?

17 A I believe so.

18 (Letter, January 19, 1994, Rayl
19 to Crimmins is received and marked Taylor 8 for
20 identification)

21 MR. BARTHOLOMAEI: What I have just
22 marked as Taylor deposition 8 is a January
23 19, 1994 correspondence from Mr. Rayl to
24 Bob Crimmins. The Bates numbers are MP
25 4011071018 through 71023.

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2 Q Ms. Taylor, I know this is a somewhat
3 lengthy document again with very small print. I
4 want to ask you first, is this something you
5 reviewed in preparation for the deposition or
6 something you have also seen before today?

7 A I hadn't seen it before today. I
8 don't recall seeing this. I don't recall.

9 Q I don't want you necessarily to go
10 through it, we'll be sitting here for another
11 hour.

12 Can you tell me whether this specific
13 document was given any consideration by either the
14 natural work team or members of management at
15 Metropolitan Life with respect to any policies
16 which related to the Accelerated Payment Plan?

17 MR. BARTHOLOMAEI: Objection as to
18 form. Lack of foundation.

19 Q I'm talking about company policies,
20 not life insurance policies.

21 MS. TAYLOR: I want to reiterate
22 again. While Ms. Taylor can answer as to
23 whether this was something she recalls the
24 natural work team seeing, that's a
25 different issue than knowing whether anyone

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2 in the company, which consists of hundreds
3 of employees, might consider this.

4 MR. BARTHOLOMAEI: I think I limited
5 my question to the natural work team or
6 members of management. I understand it
7 could be hundreds of people. If she knows,
8 she knows.

9 MS. TAYLOR: Members of management I
10 think is vague also. I don't know what you
11 mean by members of management. There are a
12 lot of people in management.

13 Again, are you asking about this
14 specific document?

15 MR. BARTHOLOMAEI: Right.

16 MS. TAYLOR: Not generally, topics
17 that are mentioned generally?

18 MR. BARTHOLOMAEI: Correct.

19 MS. TAYLOR: This specific document?

20 MR. BARTHOLOMAEI: Correct.

21 A I have no recollection of the natural
22 work team connected with this document, nor do I
23 know if anyone else who might have received it
24 made any policy changes that I know of. Never saw
25 it before. Don't recall seeing it.

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2 (Memo to Frank Lynch from
3 LaBadia March 30, 1994 is received and marked
4 Taylor 9 for identification)

5 MR. BARTHOLOMAEI: What I have just
6 marked as Taylor deposition Exhibit 9 is a
7 two-page document. Letter from Mr. LaBadia
8 dated March 30, 1994 to Frank Lynch. Says
9 regarding the request from Mr. Tweedy
10 concerning UL customers with target
11 premiums inadequate to carry policies.
12 Bates numbers MP 4011070947.

13 MS. TAYLOR: I just want to note
14 something for the record. I obviously
15 don't know what you are marking. Your firm
16 identified probably over 150 documents and
17 we took a lot of time to sit down, I should
18 say Ms. Taylor took time to review those
19 documents. So far only one or possibly two
20 you marked as being in that group.

21 It's not really very productive to
22 identify 150 documents and have a witness
23 waste time reviewing all those documents
24 and you don't mark any of them. In fact,
25 what you do is mark other documents. If

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you're going to do that, at least identify documents you intend to use. This witness spent a lot of time in reviewing documents that are never going to be marked at this deposition.

MR. BARTHOLOMAEI: I understand. In response to that, what we did, we

identified documents which had been identified by Metropolitan Life as the range of documents which supposedly related to the Accelerated Payment Plan, likewise with the FIP from your letters. You sent us letters saying here are documents, whatever the documents happen to relate to.

I have other documents here that were in that group. I don't know whether the ones I marked so far have or have not been in that group. I wanted to give people the idea of what we were asking about, trying to be considerate.

In the future you don't want us to designate a range ahead of time, we could do that.

MS. TAYLOR: If you are expecting a

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1 witness to review things and asking a
2 witness to take the time to do that, please
3 hone in on the documents you truly expect
4 to mark because it's a waste of the
5 witness' time to go through a bunch of
6 materials that aren't going to be marked.
7 We did that to try to expedite the
8 deposition.
9

10 What's happening virtually none of
11 those documents are being used and
12 everything, I'm saying with the exception
13 of Taylor 1 and perhaps another document,
14 was not even identified. Let's just move
15 on.

16 MR. BARTHOLOMAEI: Okay. I'll just
17 say it wasn't something that was
18 intentional, asked the witness to review
19 things I wasn't going to use.

20 Like I said, these were things I
21 thought were the comprehensive universe of
22 APP documents. I realized there are things
23 that came up after I sent you the list that
24 were going to be used. That maybe the
25 case.

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2 MS. TAYLOR: Again identifying 150
3 plus documents and asking the witness to
4 look at those to expedite, this witness
5 spent over a day and a half reviewing all
6 those documents. What I'm saying is, it
7 was really for no purpose whatsoever. It
8 was almost a complete waste of time.

9 She tried to comply with your
10 request, despite the short notice and
11 identification, and took time out of her
12 business day, a lot of time, to sit down
13 and look at that stuff.

14 MR. BARTHOLOMAEI: Fine. In the
15 future we would not identify the documents
16 then if that's what you want.

17 MS. TAYLOR: The fact is you are
18 identifying them and asking the witness to
19 look at them and then you're not using
20 them.

21 MR. BARTHOLOMAEI: We've gone through
22 eight Exhibits. Out of the eight I used,
23 two that were identified prior to the
24 deposition today. I have a lot more
25 documents here I planned to use and perhaps

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2 some of those on the list. I apologize if
3 all of the documents haven't been on the
4 list. Some of has, some hasn't.

5 Like I represented to the people in
6 Pittsburgh, the items on the list weren't
7 always comprehensive to the documents I
8 would be using at the deposition. I

9 apologize Ms. Taylor had to take time to
10 review all these documents. At that time I
11 had not completely determined which ones
12 would be used. Let's keep going with the
13 deposition.

14 Q Is this something you have seen
15 before, Ms. Taylor?

16 A I don't recall seeing this document.

17 Q On the second page, it refers to some
18 proposed strategies. It gives a couple of
19 alternatives there. The second one says:

20 "More complete and direct
21 notification to UL policyholders who may not be
22 aware that their policies may not be supported by
23 the planned, target premium and/or present cash
24 flow into the accumulation fund."

25 The question I have is whether any

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different information or specific information was gathered with respect to people who had bought universe life policies in connection with the Accelerated Payment Plan?

MS. TAYLOR: Objection as to form. I think you have a misunderstanding or you are just not properly asking the question.

If you're talking about universal life policies in terms of Accelerated Payment illustrations, I'm going to instruct the witness not to answer because Accelerated Payment Arrangement by its nature can only apply to whole life policies. It cannot apply to universal life policies in that they are not participating policies in which dividends are paid.

Q Let me ask you a question then. Were Accelerated Payment Plan illustrations used to sell term-life insurance policies?

MS. TAYLOR: Objection.

A The Accelerated Payment Arrangement illustrations were used only in conjunction with whole life policies.

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2 Q Not used for universal life policies
3 either?

4 MS. TAYLOR: Objection as to form.

5 A Accelerated Payment Arrangement
6 illustrations were to be used in conjunction with
7 universal life policies.

8 Q Was it improper according to

9 Metropolitan Life policy for a sales
10 representative to use an Accelerated Plan
11 illustration in connection with universal life
12 policy?

13 MS. TAYLOR: Objection as to form. A
14 couple policies at the same time?

15 MR. BARTHOLOMAEI: Someone used an
16 Accelerated Payment Arrangement to sell a
17 universal policy.

18 MS. TAYLOR: I don't understand that.
19 You can even generate one for a UL policy.

20 MR. BARTHOLOMAEI: I guess that's the
21 answer.

22 A You are using the word "to sell".

23 Q If someone sold someone a universal
24 life policy and handed them an illustration that
25 SAID Accelerated Payment at the top, was that

1 WILHELMENIA TAYLOR

2 contrary to Metropolitan Life policy?

3 A It's contrary to Metropolitan Life
4 policy to provide a prospect with an illustration
5 for or a policy for which that illustration could
6 not be created.

7 Q Were Metropolitan Life
8 representatives permitted to sell policies using
9 illustrations which used the term "vanishing
10 premium" on them?

11 A I don't recall that. I don't recall
12 using the words "vanishing premiums," part of the
13 text included in the illustration.

14 Q What I'm asking is whether it was
15 improper according to Metropolitan Life policy for
16 sales representatives to use illustrations during
17 the course of a sale which used the term
18 "vanishing premium" on them?

19 MS. TAYLOR: Objection as to form.
20 It assumes facts that haven't been
21 established.

22 Q I'll phrase it a different way. Were
23 representatives permitted to use illustrations
24 that contained the term "vanishing premium"?

25 A I have to limit my response to the

1 WILHELMENIA TAYLOR

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2 illustrations that I have seen with respect to
3 the, that I know about, with respect to the
4 Accelerated Payment Arrangement.

5 I don't recall any use of the word
6 "vanishing premium" on those illustrations. If
7 representatives were using something other than
8 the company produced illustrations, it was my

9 understanding they should be using what the
10 company provided and I don't recall seeing those
11 words on the illustration.

12 Q I understand you don't have a
13 personal recollection of that or that being used.

14 My question, I think it's a pretty
15 simple question, you are here to testify on behalf
16 of the company. You may or may not know the
17 answer to the question, maybe someone else would
18 know.

19 I want to know if there was a company
20 policy that illustrations were not to be used
21 which contained the term "vanishing premium" on
22 them?

23 A I'm not aware of a company policy
24 that specifically said that. I'm not aware.

25 Q It was possible then or allowable for

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2 a sales representative to use an illustration
3 which used the term "vanishing premium"?

4 MS. TAYLOR: Objection as to form.
5 You are mischaracterizing his testimony,
6 Mr. Bartholomaei. She is saying its
7 company policy you use authorized
8 illustrations. She's not aware of

9 authorized illustrations that use that
10 language. She did not say they were
11 permitted to use it.

12 Q If a sales representative used an
13 illustration which contained the term "vanishing
14 premium," would that be improper?

15 A I think for a representative to use
16 an illustration that had terminology on it, it
17 wouldn't be a company approved illustration. I
18 don't think that would be proper that a
19 representative should be using an illustration not
20 approved for use by the company. That's my
21 response.

22 Q Was it permitted that that sales
23 representatives could use other company
24 illustrations which contained the term "vanishing
25 premium" when selling a product of another

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company?

3

MS. TAYLOR: Objection as to form.

4

A I'm not aware, I'm not aware of or
5 know of company policy with respect to
6 representatives selling other than Metropolitan
7 Life policies.

8

Q You are saying you are not aware of

9

what the policy is or whether there was such a
10 policy?

11

A It was my understanding that
12 Metropolitan Life representatives were to sell
13 Metropolitan Life policies, that that was the
14 policy.

15

Q Do you know who Mr. Tweedy was?

16

A Yes, basically.

17

Q Who was he?

18

A At some point in time he was in
19 charge of the Personal Insurance Department I
20 believe. Personal Insurance Department.

21

Q What does that mean?

22

A There was a department --

23

Q A line of business?

24

A Yes, called Personal Insurance.

25

(Letter, April 14, 1994,

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WILHELMENIA TAYLOR

Wilhelmenia Taylor to Greg Doby, plus attachments,
is received and marked Taylor 10 for
identification)

MR. BARTHOLOMAEI: What I have just
marked as Taylor deposition 10 is a
document which contains a cover letter from
Ms. Taylor dated April 14, 1994 to Greg

Doby which attaches a memorandum from Mr.
Rigby to Mr. Doby which is dated January
11, 1994. The Bates numbers are MP
4011070949 through 70955.

Q I think this may have been one of the
documents you were referring to earlier, is that
right? It talks about the number of policies
falling off APP status. Do you see the last page
where it talks about that?

A Yes, I see it.

Q Is this a document you reviewed in
preparation of the deposition today?

A Yes.

Q On the first page you are writing a
cover letter to Mr. Doby, is that right, letter to
Mr. Doby?

A Yes.

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2 Q What was the reason for sending a
3 letter to Mr. Doby? I'm asking why you sent it to
4 Mr. Doby, in particular?

5 A Mr. Doby was my supervisor.

6 Q At the time?

7 A At the time, yes.

8 Q What was the response to this letter
9 or was there a response?

10 A It's my recollection, although I
11 don't believe it was written, that plans were put
12 into place to offer policyholders some options
13 with respect to how their premiums could be paid,
14 either in lieu of the Accelerated Payment
15 Arrangement or using the Accelerated Payment
16 Arrangement.

17 Q Is that a decision that was made by
18 Mr. Doby?

19 A It's my recollection that it was a
20 decision that was, at least it was implemented by
21 way of the natural work team as part of its review
22 of communications to customers, including the
23 anniversary statements and notice of payments due,
24 as well as any alternatives to paying the premiums
25 by way of the Accelerated Payment Arrangement.

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2 Q What I'm referring to specifically on
3 this letter that you wrote, I'm paraphrasing it.

4 It says, the changes could be made in
5 two to three months for a cost of \$45,000 or if we
6 are to do them in the fall it will cost \$10,000
7 less. Please let me know how to proceed.

8 What was the response from Mr. Doby,
9 if any?

10 A It's my recollection the change was
11 concluded in the fall.

12 Q What was the reason for doing the
13 change in the fall versus the ensuing two to three
14 months?

15 A I believe there is either documents
16 or a document that speaks to the reason for
17 including this change as part of an entire
18 portfolio revision, I believe. It's in the list
19 of documents and speaks to some other priorities
20 in that it may be more efficient to do it then
21 than separate. It's a document where I think Tom
22 LaBadia was writing Greg Doby.

23 Q What do you mean by more efficient?

24 A You can make it a change when you are
25 doing other things or do it separately.

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2 It's my recollection, Tom's response
3 to Greg outlining the reasons wanting or
4 suggesting it be done in the fall. It's my
5 recollection Greg agreed to it being done in the
6 fall.

7 Q Basically to save money, is that what
8 you are saying?

9 A No.

10 MS. TAYLOR: Objection as to form.

11 Q When you said you could do it at the
12 same time as other things --

13 A I believe that document clearly
14 outlines the reasons for waiting until fall rather
15 than doing it then. I don't remember what the
16 reasoning was. I think it might have been some
17 resource issues as well.

18 Q What does that mean, resource issues?

19 A People to work on the change.

20 Q Maybe we'll get to that later on.

21 Of these proposed, you refer to them
22 as APP alternatives, which ones were actually
23 implemented by the company of the ones that are
24 detailed in this memorandum or were they all
25 implemented? I don't know if you can tell me that

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2 generally. I don't want to go through sentence by
3 sentence through this document. This is something
4 you have seen or reviewed prior to today.

5 A I believe we spoke about this
6 earlier, that some of these options outlined in
7 this memo did get implemented sometime after the
8 date of this memo, sometime after 1994. There is

9 also documents there that refer to, I believe it's
10 called an APP Options Program or something
11 similar.

12 Q The second, third, fourth and fifth
13 pages of this Exhibit is something you wrote, is
14 that right?

15 A Yes.

16 MS. TAYLOR: Which pages?

17 MR. BARTHOLOMAEI: Second, third,
18 fourth and fifth.

19 A Number four?

20 Q OF the Exhibit. Actually the first
21 page too, right?

22 A Yes.

23 Q You are attaching this piece of
24 correspondence or document generated by Mr. Rigby.

25 What was the reason for attaching

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2 that document and the chart on the back of that
3 document?

4 A I believe I attached Mike Rigby's
5 January 11, 1994 memorandum to my memorandum
6 because I made reference to the information on
7 page two of the report which says:

8 "I have attached a copy of Mike's
9 memo where Mike indicates that 83,000 policies are
10 currently on APP as of year-end 1993 to support
11 the suggestion on how we offer policyholders an
12 alternative way of paying their premiums or APP
13 eligibility testing.

14 Q At the time of the generation or
15 creation of Mr. Rigby's memorandum, it says:

16 25,000 of the policies that were
17 done, it's almost 82, 83,000 policies that were
18 currently on APP had insufficient dividends and
19 dividend balances to remain on APP.

20 Do you see that in the future status
21 of the policies?

22 MR. TAYLOR: Object to the form. It
23 says, for the life of the policy, also.

24 Q It says:

25 "This analysis involving 82,778

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1 WILHELMENIA TAYLOR 89

2 policies and showed that 25 percent of the
3 policies currently on APP have insufficient
4 dividends" --

5 MS. TAYLOR: Where is that?

6 MR. BARTHOLOMAEI: Mr. Rigby's
7 document.

8 Q Do you see that part?

9 A Yes.

10 Q At this time in 1994, was anything
11 done by the company to contact these 20 some
12 thousand policyholders where it is identified
13 those policyholders had insufficient dividends and
14 dividend balances to remain on APP?

15 MS. TAYLOR: Objection to form. I
16 want to reiterate that's for the life of
17 the contract.

18 MR. BARTHOLOMAEI: In his memo, he
19 doesn't say life of the contract.

20 MS. TAYLOR: Her characterization of
21 it. She is characterizing and concluding
22 those numbers are based on the life of the
23 contract.

24 Q Do you want me to repeat the
25 question?

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A Yeah.

3

Q What I was asking was, I'm taking a rough number 25 percent of 82 or 83,000. I was asking whether the 20,000 people who were included in this study were determined that those people currently did not have enough dividends and dividend balances to remain on APP, were contacted

9 by the company at that time?

10

MS. TAYLOR: Objection as to form.

11

A I don't believe there was a policyholder, customer contact of these customers that Mike's memorandum refers to and is testing they were contacted.

15

Q Why not?

16

A Part of how the APP Arrangement works is that it's a portion based on dividends and I can't -- we had experienced dividend scale reduction at that point in time and dividends could go up or down.

21

We had sent information to our representatives to tell them about contacting their customers because they would know, they would know more who would be interested being on the APP Arrangement than the company as a whole

25

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1 WILHELMENIA TAYLOR

2 and we provided the educational material.

3 So it's my recollection there was no
4 corporate contact of these customers, but that the
5 contact was made by the Account Representatives.

6 Q The question I asked was why was
7 there no contact with the company? I understand
8 it suggested the sales representatives contact

9 them and there were educational materials and
10 everything you told me so far.

11 I'm looking here at a specifically
12 identified group of people that supposedly, there
13 was a study done by Mr. Rigby of these roughly
14 83,000 policies and out of those 25 percent were
15 identified to have insufficient dividends and
16 dividend balances to remain in APP.

17 The question I'm asking, why did not
18 the company contact these people?

19 MS. TAYLOR: Objection as to form. I
20 think this is a very broad question because
21 she testified before about communications
22 in general about Metropolitan Life Outlook.
23 Those were sent out. There was information
24 provided in billing statements, certain
25 billing statements and in anniversary

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2 statements. This is a very, very broad
3 question.

4 MR. BARTHOLOMAEI: I don't think it's
5 a broad question and I can make it more
6 specific.

7 Q In that these roughly 20,000 people
8 who are specifically identified in this study, why

9 each of those 20,000 people were not contacted by
10 the company after it had been determined that
11 those individual policyholders had insufficient
12 dividends or dividend balances for them to remain
13 on APP?

14 MS. TAYLOR: Objection as to form.
15 Again I think you are mischaracterizing
16 these numbers.

17 MR. BARTHOLOMAEI: How am I
18 mischaracterizing the numbers? I stated I
19 didn't take a calculator and do a --

20 MS. TAYLOR: You are
21 mischaracterizing the aspect for the life
22 of the contract. You are not making that
23 clear.

24 MR. BARTHOLOMAEI: I'm reading it
25 from this page. I can read the sentence

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again.

I want to know, however you want to characterize it, I want to know why the 25 percent of the 82,778 policyholders were not contacted individually by the company once it was determined as a result of this study that their policies had insufficient dividend balances or dividends to allow it to remain on APP?

MS. TAYLOR: Objection as to form.

Also these numbers are in terms of policies, not policyholder.

MS. TAYLOR: I understand that as well.

A I don't remember exactly. We're looking at 1994 here. There were processes in place that anniversary statements provided information to the customer as to the fact their policies could be paid by AP and if it wasn't going to, the policies couldn't be paid by the AP Arrangement, then they asked them for additional funds.

I probably could do better if I had the anniversary statements here. There was a lot

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2 of information sent, included on the anniversary
3 or annual dividend statement to the customer that
4 gave them information as if their premiums were
5 paid by AP and if it wasn't what the alternatives
6 were. That was an annual processing that took
7 place rather than doing a huge large mailing to a
8 group of people, to this particular group of

9 people that were identified in the study Mike did.

10 I can't categorize we didn't contact
11 customers individually when their anniversary
12 process came up for eligibility. I don't know
13 about a mass mailing that went out to these
14 customers that Mike identified.

15 Q Outside of the anniversary
16 statements, was any other contact made of that you
17 know of?

18 MS. TAYLOR: Objection as to form.
19 What kind of contact are you talking about?
20 Could a sales rep --

21 MR. BARTHOLOMAEI: Anybody from the
22 Home Office pick up the phone and called
23 each of these people and said, you know
24 what, we just did a study and determined
25 your policy has insufficient dividends to

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be allowed to remain on APP.

Q Did you know that?

MS. TAYLOR: Object to form.

A At the time he did the study he writes the 1994 dividend scale, that the study assumed certain things, that the 1994 dividend sale would continue unaltered.

Like I said, as far as an one-time mailing to 20,000 customers as you mentioned, I don't believe the company did a mass mailing but I believe there was information on each individual's anniversary statement as spoke to the AP eligibility.

Q That was the same for everybody that had AP, right, the anniversary statement contained the same information, not specific information --

A It spoke to their eligibility, their particular policy.

Q Anniversary statements are sent to every policyholder?

MS. TAYLOR: Objection as to form.

A No. Anniversary forms are sent to whole life customers and specific wording was included on notices and specific wording included

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2 on those on AP.

3 Q I'm referring to anniversary
4 statements sent to every policyholder who had a
5 policy where the policy was on APP, whether it was
6 eligible or not, those people still received
7 anniversary statements; right?

8 A They received anniversary statements
9 and if they were on AP, there was specific wording
10 on that anniversary statement that spoke to the
11 eligibility.

12 Q I know you said there was no mass
13 mailing done you knew about. Was there any other
14 contact done with respect to policyholders that
15 are mentioned in this memorandum?

16 MS. TAYLOR: I think she mentioned
17 the other day there were also billing
18 notices.

19 A Sales representatives. I can't speak
20 to it.

21 Q Let me ask it this way. Outside of
22 the anniversary statements and billing statements,
23 was there anything else initiated from the Home
24 Office to contact these people I just talked
25 about, to let them know their policies had

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insufficient dividends or dividend balances to
3 remain on APP?

4

MS. TAYLOR: Other than what she has
5 talked about --

6

MR. BARTHOLOMAEI: I'm talking about
7 the specific thing --

8

MS. TAYLOR: Something specifically
9 directed to these people?

10

MR. BARTHOLOMAEI: Correct. I keep
11 saying it over and over. Maybe I'm not
12 clear.

13

Q I want to talk about these
14 specifically 20,000 people.

15

Anything specifically initiated from
16 the Home Office of Metropolitan Life to contact
17 these specific people who owned these policies?

18

A Not in a mass mailing form.

19

Q Any form?

20

A Their annual statements, if they were
21 operating on AP, they got a specific anniversary
22 statement that spoke to their eligibility.

23

Q What about outside of anniversary
24 statements?

25

A What I mentioned before, the stuff

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2 that was included in mailings to customers, AP
3 brochures that representatives provided. Talking
4 about again a mass mailing to this group, I don't
5 recall anything.

6 Q Any kind of phone contact?

7 A Not that I know of.

8 Q Any kind of direction to the

9 individual representative who sold their policy to
10 go out and visit them and talk to them about their
11 policy? Do you have any knowledge of that?

12 A If you're talking about specific
13 policy numbers or specific client names listed on
14 this, I don't recall that. Overall
15 representatives, just what you said, for AP
16 customers.

17 Q The last page of this document, there
18 is a chart, number of policies by year falling off
19 AP status.

20 This is something you've seen before?

21 A Yes.

22 Q Is this something you can interpret
23 for me as far as what this chart shows? I
24 understand the title of the chart. It gives year,
25 starts with the year 1994 up to 2018. On the

1 WILHELMENIA TAYLOR

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2 priority there is a number.

3 Can you tell me why the number starts
4 to increase and decrease at the end, what's the
5 significance of this chart?

6 MS. TAYLOR: Objection as to form.

7 It's a compound question. She can only
8 give her understanding of the document.

9 She obviously didn't prepare it.

10 A I believe the table is showing, for
11 example, in 1994, 517 policies based on the
12 testing criteria that might use that would fall
13 off APP status.

14 I'm not sure if that's helpful or
15 not.

16 Q There is a total of we talked about
17 earlier, 20 some thousand odd people, that fall
18 off of APP status. Am I reading in a right?

19 MS. TAYLOR: Objection. She just
20 testified she is not sure what he meant by
21 falling-off APP status.

22 A He has a total and at the heading.
23 It says, falling off APP status.

24 I don't recall exactly. I'm looking
25 at the memo. I don't know if he describes what

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falling off APP status means.

3

Q You attached this to your memorandum?

4

A Right.

5

Q What was your understanding of the

6

significance of this chart?

7

MS. TAYLOR: At the time?

8

MR. BARTHOLOMAEI: Yes.

9

A It's my recollection and I think I

10

kind of outlined it on page two of my memorandum

11

and it starts out with the first paragraph. I

12

have attached a copy of Mike Rigby's January 11

13

memo.

14

The point I wanted to bring out here,

15

of those 25 percent, of those 25 percent that do

16

not have sufficient dividends, dividend balances

17

to remain on APP, I really stressed here the life

18

of the contract. Meaning that it was my

19

impression from what Mike provided that the

20

testing included sufficiency test to see if there

21

was enough dividend balances to pay the premiums

22

for the entire life of the contract based on then

23

current dividend scale.

24

Q Well, that number that was the result

25

of Mr. Rigby's study, is that something at the

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2 time that surprised you or something you expected
3 to be the case, that 25 percent of the 80 some
4 thousand had insufficient dividends to allow them
5 to remain on APP?

6 MS. TAYLOR: Objection as to form.

7 A I don't recall having an expectation
8 of what the number would be. I can't say it

9 surprised me or didn't surprise me. Mike did a
10 test, he did a study and came back with the
11 information.

12 Q You didn't look at it and say, wow,
13 25 percent, that's a high number, or, wow, that's
14 something that's unexpected?

15 MS. TAYLOR: Objection as to form.

16 That's asked and answered. Compound
17 question.

18 A I can't recall. I don't recall
19 having a reaction as to wow.

20 Q Let me ask you about the paid-up.

21 It says, however, Mike conducted a
22 sampling of 25 such policies and 21 of the PUAR
23 policies.

24 See that?

25 A Yeah.

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